

MINUTES OF MEETING

RHODE ISLAND AIRPORT CORPORATION

FINANCE AND AUDIT COMMITTEE

WEDNESDAY, MARCH 20, 2013, AT 3:30 P.M.

IN THE MARY BRENNAN BOARD ROOM,

T. F. GREEN AIRPORT, 2000 POST ROAD

WARWICK, RHODE ISLAND

The meeting of the Rhode Island Airport Corporation (“Corporation”) Finance and Audit Committee was called to order by Chair of the Committee, Deborah M. Thomas, at 3:30 p.m., in the Mary Brennan Board Room at T. F. Green Airport, 2000 Post Road, Warwick, Rhode Island, in accordance with the notice duly posted pursuant to the Open Meetings Law.

COMMITTEE MEMBERS PRESENT: Deborah M. Thomas; Kathleen C. Hittner, M.D.

COMMITTEE MEMBERS ABSENT: Joseph M. Cianciolo.

BOARD MEMBERS PRESENT: Robert Sangster

ALSO PRESENT: Peter A. Frazier, C.M., Interim President and CEO; and those individuals listed on the attendance sheet attached hereto.

1. Approval of the Minutes:

A motion was made by Dr. Hittner and seconded by Ms. Thomas to approve the Minutes of the Finance and Audit Committee Meeting of September 12, 2012. The motion was passed unanimously.

2. Report from the Chief Financial Officer:

Mr. Schattle gave a presentation which provided an overview of the year-to-date financial results through December 31, 2012. The presentation focused on revenues and expenses, with a focus on revenue streams driven by enplanements. There was specific discussion on the impact to parking and rental car revenues due to decreased passenger utilization and enplanements.

Mr. Schattle discussed personnel costs with the Committee noting that vacancies in Fiscal Year 2013, along with a continuation of several efficiency initiatives enabled the Corporation to provide positive variance as compared to the fiscal year budget. Mr. Schattle discussed variances in workers compensation and disability benefits.

Mr. Schattle discussed operating expenses noting that overall costs were lower than anticipated. Mr. Schattle stated that fewer snow events than anticipated through December and continued utility savings resulted in savings as compared to this year's budget.

Mr. Schattle noted the general aviation airport's net revenue streams

and expenses were favorable as compared to the budget. Mr. Frazier noted that both Block Island and Westerly airports had more than 10,000 enplanements in the last calendar year which makes RIAC eligible for an additional \$850,000 of federal funding for each airport that can be utilized in the state aviation system.

There was general discussion on non-operating revenues and expenses. Mr. Schattle noted that net operating income for the InterLink facility was slightly below budgeted expectations.

There was a detailed discussion on the Cost Per Enplanements (CPE) and the importance of maintaining a low CPE for the airlines. There was discussion on utilization of the retail and food establishments at T. F. Green Airport. Mr. Frazier noted Mr. Schattle and Mr. Cloutier have developed strong working partnerships with the concessionaires.

Mr. Schattle noted a study on parking rates has begun.

Ms. Thomas thanked Mr. Schattle and staff for their diligent work on the preparation of the financial statements and detailed presentation.

3. Future Meetings:

The next meeting Finance and Audit Committee Meeting will be held

on Wednesday, June 19, 2013 at 3:00 p.m., in the Mary Brennan Board Room, T. F. Green Airport, Warwick, Rhode Island.

4. Adjournment:

Dr. Hittner moved to adjourn at approximately 3:57 p.m. Ms. Thomas seconded the motion. The motion was passed unanimously.

Respectfully submitted,

**Deborah M. Thomas, Chair
Finance and Audit Committee of
the Rhode Island Airport Corporation**

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ATTENDANCE SHEET

RHODE ISLAND AIRPORT CORPORATION

FINANCE AND AUDIT COMMITTEE

MARCH 20, 2013

Brian Schattle RIAC

Liberty Luciano RIAC

Nicole Reis CART, Allied Court Reporters

Robert Geoff New England Parking

Robert Gardiner State Budget Office

Sue Bernstein Senate Fiscal Office